No. 94-1563

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

CADILLAC PRODUCTS, INC.,
Petitioner,

v.

TRIENDA CORPORATION,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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27 pp

QUESTION PRESENTED

Whether in a case in the Court of Federal Claims under 28 U.S.C. § 1498(a), a third-party defendant indemnitor against which no judgment has been or could be entered may appeal from a money judgment against the United States where the Government chose not to appeal.

LIST OF PARTIES AND RULE 29.1 LIST

The parties to the proceedings below were the Petitioner, Cadillac Products, Inc. and the Respondent, TriEnda Corporation (formerly known as "Penda Corporation").

Respondent TriEnda Corporation has no parent companies or subsidiaries.

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Respondent TriEnda Corporation respectfully prays that the Court deny the petition for issuance of a writ of certiorari to review the judgment and opinion of the United States Court of Appeals for the Federal Circuit entered in the above-entitled proceeding on December 22, 1994.

CONSTITUTIONAL PROVISIONS INVOLVED

Article I, § 8 of the United States Constitution provides, in pertinent part:

> The Congress shall have power . . . To constitute tribunals inferior to the supreme court; . . .

U.S. Const. art. I, § 8.

Article III, § 1 of the United States Constitution provides, in pertinent part:

> The judicial power of the United States, shall be vested in one supreme court, and in such inferior courts as the Congress may from time to time ordain and establish. . . .

U.S. Const. art. III, §1.

Article III, § 2 of the United States Constitution provides, in pertinent part:

> The judicial power shall extend to all cases, in law and equity, arising under this constitution, the laws of the United States, and treaties made, or which shall be made under their authority; . . . to controversies to which the United States shall be a party; . . .

U.S. Const. art. III, § 2.

STATEMENT OF THE CASE

Respondent TriEnda Corporation ("TriEnda") supplements the Petitioner's Statement of the Case as follows:

Following notice, and pursuant to statute, Petitioner Cadillac Products, Inc. ("Cadillac") joined in this action as a third-party defendant to assist the Government in its defense of this action for unauthorized use of TriEnda's patent. Due to the limited subject matter jurisdiction of the United States Court of Federal Claims ("the Court of Federal Claims"), an Article I court, no judgment could be entered for or against Cadillac.

Following trial to the court, the Court of Federal Claims issued a well-reasoned, exhaustive 70-page decision on September 30, 1993. Pet. App. 11a. A money judgment in favor of TriEnda and against the United States was subsequently entered. Resp't. App. 1a.[1]

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[1] References to Respondent's Appendix are denoted "Resp't App."

On January 14, 1994, the Government filed a motion to withdraw its appeal, indicating that Government counsel "has consulted with counsel for Penda and Cadillac, neither of whom objects to this motion." *Id.* at 2a. The motion was granted by the Court of Appeals for the Federal Circuit ("the Federal Circuit") on January 21, 1994.

On December 22, 1994, the Federal Circuit entered a judgment and issued an opinion dismissing Petitioner's appeal. The court held that because Cadillac lacked the requisite standing to appeal independently, the court lacked jurisdiction over Cadillac's appeal. The appellate court noted that the money judgment below ran only against the Government, and that the Government was content to satisfy it. See *Penda Corp.* v. *United States*, 44 F.3d 967, 970 (Fed. Cir. 1994).

SUMMARY OF THE ARGUMENT

The Federal Circuit properly decided that the third-party defendant, indemnitor Cadillac, lacked standing to appeal independently the final judgment against the Government, because the Court of Federal Claims lacked jurisdiction to grant relief to Cadillac or the Government. Since the Government had chosen not to appeal, the judgment entered by the Court of Federal Claims was a final judgment, and could not be affected by the appeal.

The Petitioner has failed to demonstrate special and important reasons for granting the petition. The issue of standing in this case was resolved by application of well-settled precedent. Any arguable consequences of the decision for future suppliers to the Government may be handled as a matter of contract, or by action of Congress.

REASONS FOR DENYING THE WRIT

I. THE FEDERAL CIRCUIT PROPERLY DECIDED THAT THE THIRD-PARTY DEFENDANT LACKED STANDING TO APPEAL INDEPENDENTLY THE FINAL JUDGMENT AGAINST THE GOVERNMENT, AND ITS DECISION WAS CONSISTENT WITH DECISIONS OF THIS COURT AS WELL AS THOSE OF THE COURT OF FEDERAL CLAIMS.

Cadillac seeks standing to appeal from a money judgment running solely against the United States in a proceeding in which the court lacked jurisdiction to grant any relief for or against Cadillac. This case presents an unusual procedural situation. Due to the broad jurisdiction of courts other than the Court of Federal Claims, this situation does not normally arise in indemnity cases. Nonetheless, the Federal Circuit did not have any problem in deciding the issue based upon well-established precedents of this and other courts.

Unlike the typical situation where an indemnitor is joined as a defendant by the plaintiff, or as a third-party defendant by a defendant indemnitee, the trial court in this case had very limited jurisdiction. The Court of Federal Claims does not have jurisdiction to decide the matter of indemnity. See *Carrier Corp.* v. *United States*, 534 F.2d 250, 251 (Ct. Cl. 1976) (court has no jurisdiction to decide indemnity claim); *Knogo Corp.* v. *United States*, 656 F.2d 655, 657 (Ct. Cl.), *cert. denied*, 454 U.S. 1124 (1981) (court has no jurisdiction to decide private disputes); *Lemelson* v. *United States*, 8 Cl. Ct. 789, 791 (1985) (citation omitted) (no controversy between plaintiff and third-party defendant).

Although not the fact in this action, typically where the Government appeals in a § 1498(a) action (and maintains that appeal), the indemnitor is not precluded from appeal, arguably having some measure of derivative

standing.[2] See *Diamond* v. *Charles*, 476 U.S. 54, 64 (1986) (intervening defendant had ability to ride "piggyback" on state's standing only if state remained an appellant before the court).

In cases other than under § 1498(a), the indemnitor normally has independent standing based upon a claim of indemnity. Such a suit includes the potential for a judgment in favor of the plaintiff or the defendant/third-party plaintiff. In this case, that possibility did not exist due to the court's limited jurisdiction. Thus, none of the cases on indemnity cited by Petitioner are on point, as they do not involve the question of independent standing on appeal in a case such as this.[3]

Petitioner Cadillac's essential error on appeal, and in its petition, is to confuse the concept of jurisdiction of the Federal Circuit over the subject matter of the appeal with Cadillac's standing to maintain that appeal. Pet. 5. While the Federal Circuit has jurisdiction over an appeal from the Court of Federal Claims under 28 U.S.C. § 1295, that does not mean that any person, including a party appearing in the trial court below, has independent standing to appeal. *Penda Corp.* v. *United States*, 44 F.3d 967, 970 (Fed. Cir. 1994).

Standing is a constitutional limitation on jurisdiction which circumscribes the statutory grant to a court. It is one element of the case or controversy requirement under

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[2] It may well be that when the Government appeals, as a practical matter the patentee lacks sufficient interest in challenging the indemnitor's standing.

[3] *See* Pet. 7 (citing *Del-Rio Drilling Programs, Inc.* v. *United States*, 17 Cl. Ct. 844 (1989) (oil and gas leases)); *Uram* v. *United States*, 216 Cl. Ct. 418, 420 (1978) (copyright infringement; Rule 41(a) notice does not mean court has jurisdiction over party); *Petrovich* v. *United States*, 421 F.2d 1384 (Ct. Cl. 1970) (compensation for dredging operations); *Richfield Oil Corp.* v. *United States*, 151 F. Supp. 333 (Ct. Cl. 1957) (compensation for destruction of pipeline).

Article III of the United States Constitution, and a requirement for appellate jurisdiction. *Boeing Co.* v. *Commissioner of Patents and Trademarks*, 853 F.2d 878 (Fed. Cir. 1988). The Federal Circuit's holding in this respect is consistent with decisions of this Court, as well as others. See, *e.g.*, *Diamond* v. *Charles*, 476 U.S. at 68; 853 F.2d at 880 (citations omitted). Status as a party below does not confer automatic standing to appeal. *Id.* (citing *Diamond*).

Standing is not conferred by the grant of jurisdiction to the Federal Circuit. Standing is dependent upon the particular facts of each case. A third-party defendant with standing in one case (e.g., a typical indemnitor in a personal injury case), may not have standing in a different situation such as this. Constitutional requirements of standing are read into the statute.[4]

Cadillac again argues that even if it would not have had standing to appeal without the Government, it had standing because it had already filed its notice of appeal when the Government acted to withdraw its appeal. Pet. 5-6 n.3. Thus, Cadillac appears to argue that its standing is immutable. However, Petitioner does not cite any authority for the proposition that standing may not be affected by subsequent events. Clearly, the mooting of a case or settlement of a dispute by the Government will terminate a third-party indemnitor's standing to continue in the trial court.[5] So too, even if, *arguendo*, Cadillac had standing on appeal while the Government participated,

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[4] A statute may expressly grant standing to a party which might not otherwise be able to appeal alone. *See, e.g., Maine* v. *Taylor*, 477 U.S. 131 (1986) (standing of state to defend constitutional challenge to its statute).

[5] *Knogo Corp.* v. *United States*, 656 F.2d 655 (Ct. Cl.), *cert. denied*, 454 U.S. 1124 (1981) (third-party indemnitor had no standing to object to stipulated dismissal of infringement suit by government); *Lemelson* v. *United States*, 8 Ct. Cl. 789 (1985) (rejecting indemnitor's objection to dismissal pursuant to settlement agreement).

it lost such standing once the Government withdrew its appeal, and the appeal could no longer affect the final judgment.

Cadillac disputes this holding by the Federal Circuit on two bases. First, as it did below, it cites *In re District of Columbia's Workman's Compensation Act*, 554 F.2d 1075 (D.C. Cir.), *cert. denied*, 429 U.S. 820 (1976). Pet. 5 n.3. That case is distinguishable, however, in that it did not involve standing, but rather jurisdiction of an appellate court to continue an appeal when legislation had changed the underlying law after the decision of the trial court. Moreover, the court noted in *dicta* that if the trial court had lost jurisdiction for any reason, then so too would have the appeals court. 554 F.2d at 1079 n.17 (citations partially omitted; quoting Holmes, J., in *Hallowell* v. *Commons*, 239 U.S. 506, 508 (1916)).

Second, Cadillac argues that its appeal could still result in a reversal of the final judgment against the United States, even without the Government's participation, citing *Kicklighter* v. *Nails by Janee, Inc.*, 616 F.2d 734 (5th Cir. 1980). Pet. 9, 10 n.11. As the Federal Circuit found, *Kicklighter* is distinguishable from the case at bar, however, due to the limited jurisdiction of the Court of Federal Claims. Moreover, this argument goes to the matter of whether Cadillac has a sufficient interest in the proceedings to be an aggrieved party and so have standing, regardless of the Government's appearance. See pp. 10-11, *infra*.

The fact that the Government filed a notice of appeal at one time is irrelevant to the question of whether Cadillac has standing to pursue its separate appeal at this time.[6]

Where the Government has chosen to withdraw its appeal, there is no longer any purpose to be served by

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[6] **The appeals of Cadillac and the United States were separately filed, and were separately numbered and administered by the Federal Circuit.**

permitting the third-party defendant to continue with its independent appeal of the judgment against the Government. That judgment is final and cannot be affected. *United States* v. *Lumbermen's Mut. Cas. Co.*, 917 F.2d 654, 662 (1st Cir. 1990); 9 James W. Moore, et al., *Moore's Federal Practice* § 204.11[5], at 459 n.18 (2d ed. 1995). The Federal Circuit does not issue advisory opinions. *In re Sneed and Young*, 710 F.2d 1544 n.7 (Fed. Cir. 1983).

In the Federal Circuit, Cadillac argued that it had standing because the adverse decision of the Court of Federal Claims would be given preclusive effect in subsequent litigation between itself and TriEnda or Cadillac. The Federal Circuit disagreed. Cadillac argued below that it would be prejudiced by such preclusive effect. It now finds itself in the ironic position of arguing that the Federal Circuit was wrong, and that the adverse decision must be given preclusive effect.

Petitioner further argues that the Federal Circuit's statement that there will not be a preclusive effect leaves open the possibility of inconsistent results. Pet. 6-7. As will be discussed in part II of this brief, this is a "red herring", as it is unlikely that the issues of patent validity and infringement will be relevant in any subsequent indemnification suit. None of the indemnification issues were triable to the Court of Federal Claims. Conversely, none of the substantive patent issues tried to the Court of Federal Claims will be relevant to the issues in a subsequent indemnification suit. The Federal Claims action was about use of a patent. A subsequent indemnity action would be about enforcement of a contract.

Congress certainly could have provided the Court of Federal Claims with jurisdiction to determine indemnification, and so have provided standing to a third-party supplier such as Cadillac to appeal independently a decision of that court. That it did not do so indicates a Congressional intent not to provide such standing.

Cadillac seeks to convince this Court that the Federal Circuit's decision on issue preclusion is somehow in conflict with prior case law. Cadillac argues that before the decision in this case, it had been held that an indemnitor who joined in a Claims Court action would be bound by the judgment of liability in any subsequent proceeding. Pet. 7. While the cited cases so state, they do not address the issue in the context of a § 1498 case, where the Government does not appeal and the third-party indemnitor's appeal is dismissed, as here. Rather, the cases cited are consistent with the common law rule of "vouching in" where the third-party indemnitor has had a full opportunity to participate, including an appeal. They are further consistent with *Restatement (Second) of Judgments* § 28(1) (1980), as cited by the Federal Circuit. *Penda Corp.* v. *United States*, 44 F.3d 967, 972-73 (Fed. Cir. 1994).

Cadillac further notes decisions where an indemnitor failed to join in the action after having received notice, and therefore was bound by the court's determination. Pet. 7 n.6. Once again, these decisions are consistent with the common law of "vouching in", where an indemnitor is provided with a full opportunity to participate and fails to do so.[7]

Contrary to Petitioner's arguments, the Federal Circuit's decision as to standing was consistent with the decisions of this and other courts, and with the analysis set forth therein. The Federal Circuit considered each of Cadillac's arguments in turn, and properly resolved them against Cadillac.

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[7] An indemnitor who fails to join at such point does not know whether the Government will appeal if it loses at trial, and misses the chance to assist in the government's attempt to avoid such a result. Therefore, it cannot later be heard to complain that the result was wrong, or that it would not have had standing to appeal even if it had participated.

First, the court found that simply because Cadillac had appeared in the trial court did not confer standing to appeal. See pp. 6-7, *infra; Penda Corp.*, 44 F.3d at 970-71. Cadillac cites *Kicklighter* v. *Nails by Janee, Inc.*, 616 F.2d 734 (5th Cir. 1980), contending that a third-party defendant has standing to appeal errors in the main case notwithstanding the absence of the defendant on appeal.[8] Pet. 9-10. In *Kicklighter*, however, the trial court (with its broader grant of jurisdiction), had entered judgments against both the defendant and the third-party defendant. Thus the court retained the ability to affect the judgment against the third-party defendant.[9] In contrast, a judgment against Cadillac could not have been entered in this case.

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[8] Petitioner ignores other precedent supporting the Federal Circuit on this point. *See, e.g., Bender* v. *Williamsport Area Sch. Dist.*, 475 U.S. 534, 543 (1986); *Federated Dep't Stores, Inc.* v. *Moitie*, 452 U.S. 394, 398, 399 n.4 (1982) (final judgment from which no appeal is taken is *res judicata* even when wrong); *United States* v. *Lumberman's Mutual Cas. Co.*, 917 F.2d 654, 662 (1st Cir. 1990) (refusing to reverse judgment against insurer/indemnitor who did not cross-appeal); *McLaughlin* v. *Permsley*, 876 F.2d 308, 313 (3rd Cir. 1989); *Libby, McNeill & Libby* v. *City Nat'l Bank*, 592 F.2d 504, 511 (9th Cir. 1978); *Whitehead* v. *American Sec. and Trust Co.*, 285 F.2d 282, 286 (D.C. Cir. 1960); 9 James W. Moore, et al., *Moore's Federal Practice*, § 204.11[4] (2d ed. 1995).

[9] Petitioner states that the Federal Circuit "erroneously believed" that the judgment from which the third party appealed in *Kicklighter* was entered against both the defendant and the third-party defendant, asserting that the appeal was from the judgment entered only against the defendant in the main case. Pet. 10 n.11. In fact, the third-party defendant appealed from the denial of its motion for judgment notwithstanding the verdict or in the alternative for a new trial, rather than appealing from either judgment. *Kicklighter* v. *Nails by Janee, Inc.*, 616 F.2d 734, 738-39 n.1 (5th Cir. 1980). Despite this failure, the court reversed the judgments against both the third-party defendant and the defendant and remanded for a new trial. *Id.* at 742. Thus the fundamental distinction drawn by the Federal Circuit (i.e., the existence of a judgment against the third party), is still valid.

Due to the limited subject matter jurisdiction of the Court of Federal Claims, and the fact that no claim before the court was asserted by or directed against Cadillac, from that court's perspective Cadillac was at most a nominal defendant. *Penda Corp.*, 44 F.3d at 971. Thus Cadillac did not have standing to appeal based solely on its status as a third-party defendant at trial.[10]

Cadillac next argued that its potential liability as an indemnitor was a sufficient interest to demonstrate standing to appeal. The Federal Circuit properly held that Cadillac was not an aggrieved party because there was no independent finding of liability against Cadillac, and because Cadillac was not otherwise aggrieved by the judgment. *Id.* at 971-72.

The Federal Circuit found the law "well-settled that a party is generally not aggrieved by, and thus lacks standing to appeal from, a judgment rendered against a co-party." *Id.* (citations omitted). Cadillac's potential liability gave it only an indirect consequential interest. Cadillac may well have defenses to the indemnification agreement which it can raise in a subsequent action by the Government. Because no direct liability can be found in this action, Cadillac is not aggrieved by the judgment.

Cadillac appears to argue both that it will be harmed by issue preclusion in this case, and that the Federal Circuit's ruling to the contrary is incorrect. To the extent that the Federal Circuit's decision is applicable in a subsequent case, the clear impact of the decision is that Cadillac will not suffer such adverse consequences. The Federal Circuit relied on "generally accepted principles" in disposing of this last argument for standing, including

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[10] Contrary to Petitioner's assertion, the Government is not a nominal party in an action under § 1498(a), for it is the Government against which a judgment may be taken, and not the third-party indemnitor.

the fact that Cadillac and the Government were not adversaries in the Court of Federal Claims, that Cadillac would not be able to obtain review of the trial court's decision as a matter of law, and that Cadillac was only a nominal party. *Id.* at 972-73 (citing *Restatment (Second) of Judgments* §§ 28, 37, 38 (1980)).[11]

Therefore, the Federal Circuit properly decided the standing issue.

II. PETITIONER HAS FAILED TO DEMONSTRATE ANY PERSUASIVE REASON FOR GRANTING THE PETITION.

Supreme Court Rule 10.1 provides that a petition for writ of certiorari "will be granted only when there are special and important reasons therefor." The rule then sets forth several examples, including: 1) when a United States court of appeals has rendered a decision in conflict with the decision of another court of appeals on the same matter; 2) when a court of appeals has so far departed from the accepted and usual course of judicial proceedings or sanctioned such a departure by a lower court as to call for exercise of the Court's power of supervision; and 3) when a court of appeals has decided an important question of federal law which has not been but should be settled by the Supreme Court or decided a federal question in a way that conflicts with applicable decisions of the Supreme Court.

The Federal Circuit hears all appeals from cases brought under § 1498. Thus, even if, *arguendo*, a problem arose with respect to such disputes, the Federal Circuit would be in a unique position to render consistent decisions in this area. There can be no conflict among the circuits on this issue.

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[11] *Restatement (Second) of Judgments* § 57 (1980), raised now by Cadillac for the first time, is not inconsistent with the authority relied upon by the Federal Circuit.

None of the exemplary reasons under Rule 10 have been demonstrated by the Petitioner to be present in this matter. The Petitioner also fails to assert any other special and important reasons for granting the petition. Instead, Petitioner sets up as a straw man the alleged impact of the court's decision upon third-party suppliers of goods and services to the Government, and upon the Government itself. Pet. 10. Experience has shown that these "seriou[s] impacts" do not exist. The procurement law which is the predecessor to § 1498 dates back to the First World War. Yet neither party has been able to cite a case which is factually on point during this approximately eighty-year period. Obviously then, this is not a recurring situation.

Petitioner argues that under the decision, companies which join as third parties in proceedings before the Court of Federal Claims have no right of appeal from an adverse decision of liability when the Government elects not to appeal, exposing them to liability to the Government as an indemnitor. However, the decision of the Federal Circuit indicates that such parties would not necessarily be precluded from arguing the issues in a subsequent suit in which such issues are relevant.

More particularly, any such risk of exposure to liability to the Government is a contractual risk which suppliers are free to evaluate in deciding whether to bid. If truly concerned, they may attempt to negotiate other terms, or decide to forego contracting with the government under such terms.

In addition, should the Government fail to bring a meritorious appeal, such action might provide a contractual defense to the indemnitor. The Government cannot be forced to appeal a case in which it believes it is not likely to succeed on the merits. If the indemnitor believes that the Government is missing an appeal which has a reasonable chance of success, it could well bring

that matter to the Government's attention, or object where, as here, the Government seeks to withdraw its appeal.

The contract with the Postal Service for delivery of the pallets which are the subject matter of this suit, as set forth in the Appendix, provides, in relevant part:

> . . . the contractor *shall indemnify* the postal service and its officers, agents, and employees against liability, including costs, for infringement of any United States letters patent . . . The foregoing indemnities shall not apply unless the Contractor shall have been informed as soon as possible by the Postal Service of the suit or action alleging such infringement, and shall have been given *such opportunity as is afforded by applicable laws, rules or regulations to participate in the defense thereof*; and further, such indemnities shall not apply to . . . (iii) a claimed infringement which is settled without the consent of the Contractor, *unless required by final decree of a court of competent jurisdiction.*

Resp't App. 3a-4a (emphasis added).

The Petitioner has already contracted for (and received) an opportunity to participate in the case insofar as is afforded by applicable laws, which would include the constitutional requirement of standing. Cadillac has also contracted for an exception to its indemnity where the Government enters into a settlement without Cadillac's consent, unless required by a final decree of a court of competent jurisdiction. The contract does not specify that the Government must exhaust all appeals, nor has Congress provided jurisdiction for the Court of Federal Claims to hear indemnification proceedings, or provided Cadillac with independent standing to appeal. If the jurisdiction of that court is unduly limited, the solution lies with Congress.

In its petition, Cadillac now raises the spectre of duplicative litigation and inconsistent results in the event a decision on liability is not binding on the indemnitor.

The Government cannot and will not be forced to relitigate the issues or to take an opposite position in an indemnification action, as Cadillac asserts. Pet. 11. The contract provides that if the Government is forced to pay as a result of a final judgment, then it *shall* be indemnified, unless one of the contractual defenses applies. Therefore, the merits of the underlying claim against the Government are irrelevant, except to the extent that Cadillac may be able to argue that the Government waived a defense or did not defend in good faith. These are contractual defenses. The issue in any subsequent suit between the Government and Cadillac will be limited to indemnity, and any defenses thereto. The substantive issues of patent validity and infringement, fully tried and decided in the Court of Federal Claims, would not be relevant issues in a subsequent indemnity suit brought in the United States District Court.

III. THIS CASE DOES NOT PRESENT ANY SPECIAL OR IMPORTANT REASON FOR GRANTING CERTIORARI.

There are no special or important reasons for granting certiorari in this case. See Sup. Ct. R. 10.1. No overriding problem exists warranting the attention of this Court. Petitioner was a nominal party in a dispute between the Government and TriEnda. The straightforward application of well-settled principles of standing to the appeal in this case does not give rise to the "special and important" circumstances justifying granting a writ of certiorari.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

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APPENDIX

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APPENDIX

IN THE UNITED STATES COURT
OF FEDERAL CLAIMS

No. 473-89 C

PENDA CORPORATION,
Plaintiff

v.

THE UNITED STATES,
Defendant

and

CADILLAC PRODUCTS, INC.,
Third-Party Defendant

AMENDED JUDGMENT

Pursuant to the court's opinion of September 30, 1993,

IT IS ORDERED AND ADJUDGED this date, pursuant to Rule 58, that plaintiff recover of and from the United States the sum of $1,476,335.01. Costs to plaintiff.

DAVID A. LAMPEN
Clerk of Court

By: /s/ [Illegible]
Deputy Clerk

October 8, 1993

NOTE: As to appeal, 60 days from this date, see RCFC 72, re number of copies and listing of *all plaintiffs*. Filing fee is $105.00.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

No. 90-5034

PENDA CORP.

v.

U.S.

MOTION TO WITHDRAW APPEAL

Pursuant to Rule 42(b), appellant moves to withdraw its appeal in the above captioned case, without prejudice to and in favor of appeal No. 93-5035 filed by Cadillac Products, Incorporated. Each party is to bear its own costs.

Counsel for appellant has consulted with counsel for Penda Corp. and for Cadillac Products, neither of whom objects to this motion. A proposed order and service list are attached, as required by Rule 27(a) of Rules of the Court of Appeals for the Federal Circuit.

Respectfully submitted,

FRANK W. HUNGER
Assistant Attorney General

Date Jan. 14, 1994 /s/ Vito J. DiPietro
VITO J. DIPIETRO
Director

Date Jan. 14, 1994 /s/ Gary L. Hausken
GARY L. HAUSKEN
Attorney
Commercial Litigation Branch
Civil Division
Department of Justice
Washington, D.C. 20530
Telephone: (202) 307-0342
Attorneys for Appellant

Of Counsel:
THOMAS J. BYRNES
Attorney
Department of Justice

Excerpts from Contract Between the United States Postal Service and Cadillac Products, Inc. Awarded July 20, 1988

* * * *

PATENT INDEMNITY (March 1977)

If the amount of this contract is in excess of $10,000, the Contractor shall indemnify the Postal Service and its officers, agents, and employees against liability, including costs, for infringement of any United States letters patent (except letters patent issued upon an application which is now or may hereafter be kept secret or otherwise withheld from issue by order of the Government) arising out of the manufacture or delivery of supplies, or out of construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this contract, or out of the use or disposal by or for the account of the Postal Service of such supplies or construction work. The foregoing indemnity shall not apply unless the Contractor shall have been informed as soon as possible by the Postal Service of the suit or action alleging such infringement, and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in the defense thereof; and further, such indemnity shall not apply to (i) an infringement resulting from compliance with specific written instructions of the contracting officer directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the contract not normally used by the Contractor; (ii) an infringement resulting from addition to, or change in, such supplies or components furnished or construction work performed which addition or charge was made subsequent to delivery or performance by the Contractor; (ii) an infringement resulting from addition to, or change in, such supplies or components furnished or construction work performed which addition or charge

was made subsequent to delivery or performance by the Contractor; or (iii) a claimed infringement which is settled without the consent of the Contractor, unless required by final decree of a court of competent jurisdiction.